

Message Text

PAGE 01 STATE 000211

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R 010125Z JAN 76
FM SECSTATE WASHDC
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
AMCONSUL NAHA
AMEMBASSY MOSCOW
INFO CINCPAC
COGARD
GOVGUAM
TREASURY
XMT AMEMBASSY SUVA
AMEMBASSY RANGOON

UNCLAS STATE 000211

E.O. 11652:N/A

TAGS: PFOR, XC, US

SUBJECT: DECEMBER 31 EA PRESS SUMMARY

1. JAPAN

PM MIKI, IN NEW YEAR STATEMENT, SAID DOWNWARD TREND IN JAPANESE ECONOMY HALTED, REFLATIONARY STEPS TAKEN DURING 1975 BEGINNING TAKE EFFECT. HINTED WOULD NOT CALL FOR GENERAL ELECTION, AT LEAST UNTIL JFY 76 BUDGET APPROVED. SAID MAIN FOPOLICY AIM WOULD BE CONCLUDE TREATY OF PEACE AND FRIENDSHIP WITH PRC, PROMOTE CLOSER RELATIONS WITH ASIAN NATIONS (REUTER, TOKYO).

MAF AND USDA OFFICIAL IN TOKYO ESTIMATE JAPAN IMPORTED 3.2-3.3 BILLION DOLS WORTH FARM PRODUCTS US IN 1975; FORESEE 1976 IMPORTS HELD TO SAME LEVEL BECAUSE UNCLASSIFIED

PAGE 02 STATE 000211

RECESSION INHIBITS FURTHER EXPANSION (PEARLSTINE, WSJ).

GOJ TUESDAY APPROVED REVISED DRAFT JFY 76 BUDGET, AIMED AT REFLATING ECONOMY. INCLUDES 21 PCT INCREASE PUBLIC

WORKS SPENDING, 81 PCT JUMP IN LIMIT ON EX-IM BANK FUNDS TO PROMOTE EXPORTS. TOTAL BUDGET OF ABOUT 78 BILLION DOLS UP 14.1 PCT FROM JFY 75. ALSO PROVIDES 50 PCT INCREASE IN NATL RR FARES IN MID-YEAR (REUTER, TOKYO).

ELECTRONIC INDUSTRIES ASSN ESTIMATED RECORD EXPORT OF 2.6 MILLION COLOR TV SETS IN 1975, UP 14 PCT OVER 1974 (WSJ, TOKYO).

ORIENT O' SEAS LINE, ORIENT O'SEAS CONTAINER LINE PROTEST DISCUSSION AGREEMENT AMONG US, JAPAN FLAG LINES SERVING US-JAPAN TRADE, ASK FMC EXAMINE PROPOSED AGREEMENT FOR POSSIBLE VIOLATION OF 1916 SHIPPING ACT (JOC).

MANCHESTER GUARDIAN'S WHYMANT (WP) IN TOKYO RELATES HOW SOME JAPANESE CELEBRATE AT "YEAR END PARTIES", INCREASING NUMBER OF OTHERS WIPE OUT DEBTS THEY UNABLE TO PAY BY TAKING OWN LIVES.

HALLORAN (NYT) IN TOKYO NOTES IMPACT OF PROLONGED RECESSION ON JAPANESE -- DRINKERS DRINKING MORE, ENJOYING IT LESS; PAWN SHOPS RUN OUT OF LOAN FUNDS; SHOESHINE MEN AND WOMEN LAMENT FALL-OFF IN BUSINESS; AND 28 OF SOME 900 GOLF COURSES HAVE GONE BANKRUPT.

2. KOREA

DOS SPOKESMAN SAID MONDAY US CONSIDERING SK REQUEST FOR 1.5 BILLION DOL GOVT-BACKED CREDITS OVER NEXT FIVE YEARS FOR NEW MIL DEVELOPMENT PROGRAM (REUTER, CHITRIB).

BANK OF KOREA ESTIMATED GNP ROSE 7.4 PCT IN 1975, TO 8.22 BILLION DOLS; ALSO ESTIMATED PER CAPITA INCOME ROSE TO 531 DOLS, FROM 483 DOLS IN 1974 (UPI, NYT).

UNCLASSIFIED

PAGE 03 STATE 000211

TWO SK NEWSMEN, ONE LECTURER JAILED WEDNESDAY, AFTER FOUND GUILTY OF PLOTTING MAOIST REVOLUTION. PLEADED NOT GUILTY; ADMITTED DISCUSSING VARIOUS SOCIAL IDEOLOGIES FOR ACADEMIC PURPOSES BUT DENIED PLOTTED MAOIST REVOLUTION (NYT; REUTER, SEOUL). NYT SPECIAL (SEOUL) NOTES NDP LEADER KIM YOUNG-SAM APPEARED VOLUNTARILY TUESDAY BEFORE PROSECUTORS, FOR THREE-AND-HALF DISCUSSION WHETHER HE VIOLATED EMERGENCY DECREE BY CALLING FOR CONSTITUTIONAL REVISION PAST AUGUST. OPPOSITION SOURCES SAID APPEARANCE MIGHT LEAD TO "POLITAL SETTLEMENT" OF CASE. ADDED KIM FACES SEVERE LEADERSHIP CHALLENGE IN PARTY ELECTION NEXT MAY, WITH MANY MEMBERS CALLING FOR TOUGHER OPPOSITION TO ROKG.

IN LAST OF SERIES FROM SEOUL JOC'S TEFLER FOCUSES ON
"OBVIOUS PROBLEMS" FACING SK. PUTS THESE IN CONTEXT
BY CITING C-M BANK MANAGER REIZMAN STATEMENT THAT FIVE

MAJOR SK BANKS GRANTED 200 MILLION DOL EXTENSION
OF CREDIT LINES BY FOREIGN BANKS, AMID REPORTS NATION
MAY BE IN DANGER OF DEFAULTING. REVIEWS PROBLEMS
POSED BY NEED TO INDUSTRIALIZE TO ABSORB UNDER-UTILIZED
FARM POPULATION MIGRATING TO CITIES, URBANIZATION,
POLLUTION, CHALLENGES TO TRADITIONAL VALUES. CONCLUDES,
ON DEPARTURE, ONE CAN'T HELP BUT BE IMPRESSED BY ENERGY,
RESOURCEFULNESS OF PEOPLE, AND SENSATIONAL TRANSFORMATION
OF NATION IN RELATIVELY SHORT TIME.

3. PHILIPPINES

PHILIPPINES EXPECT HARVEST 10 PCT MORE RICE THIS YEAR,
ABOUT 4.5 MILLION TONS. ABUNDANCE SAID DUE MONEY GOP
PUMPED INTO RURAL ECONOMY, AND LACK OF TYPHOONS, NATURAL
DISASTERS. BUT SURPLUS STRAINS STORAGE FACILITIES,
THREATENS REDUCE FARM INCOME BY DEPRESSING PRICES
(AP, SUN 12/26).

GANG OF 30 PIRATES HIJACKED PHIL-INDO TIMBER COMPANY
BARGE IN S PHILS MONDAY, DEMANDED GOP PAY 250,000 DOL
RANSOM FOR BOAT, CREW OF SEVEN. GOP REFUSED. SPOKESMAN
SAID MIL FORCES MOVING TO RECOVER BOAT AND HOSTAGES
UNCLASSIFIED

PAGE 04 STATE 000211

(REUTER, MANILA).

4. INDONESIA

JOSE RAMOS HARTA, FM OF FRETELIN REGIME, TOLD PRESS IN
NY TUESDAY THAT 15,000 INDO TROOPS, BACKED BY TANKS,
PLANES, HELOS, LAUNCHED MASSIVE NEW ATTACK IN E TIMOR
CHRISTMAS DAY (WSJ). SAID FRETELIN SUFFERED "HEAVY"
CASUALTIES, INDO FORCES HAD "AS MANY AS" 10,000 CASUALTIES
SINCE DEC 7 INVASION. SAID INDO AF BOMBED BAUCAU, CONFIRM-
ED INDO FORCES HOLD DILI, BAUCAU AND 30 PCT OF E TIMOR
(AP, SUN).

FRETELIN SAID TRYING ARRANGE REFUGEE EVACUATION FROM
ISLAND (WSJ).

5. NEW ZEALAND

NP GOVT BANNED FURTHER IMMIGRATION, PENDING COMPLE-
TION OF COMPREHENSIVE POLICY REVIEW OF ISSUE. HOPES
STEM INFLATION, AVOID COST OF HOUSING NEW MIGRANTS.
PM MULDOON SAID TOTAL BAN MIGHT LAST "ONLY FEW WEEKS"

BUT LEFT NO DOUBT THAT NUMBER OF NEW MIGRANTS ADMITTED WOULD BE CUT SHARPLY. ALSO SAID IMMIGRATION MIN FRANK GILL WOULD VISIT AUSTRALIA "SOON" TO DISCUSS ISSUE, AND PACIFIC ISLANDS FROM WHICH MANY POLYNESIANS HAVE

EMIGRATED TO NZ IN RECENT YEARS (JOC, AUCKLAND).

6. CHINA

SIX-MEMBER PRC METALS/MINERALS DELEGATION WILL VISIT US IN JANUARY, NCUSCT ANNOUNCED TUESDAY; GROUP WILL BE HOSTED BY NCUSCT, IN US ABOUT TWO MONTHS; EXPECTED VISIT DC, BOSTON, NY, SAN FRANCISCO, LA, OTHER MAJOR CITIES. DELEGATION WILL BE MAINLY CONCERNED WITH DOING BUSINESS IN NONFERROUS METALS, MINERALS, HARDWARE (JOC).

RADIO PEKING TUESDAY REPORTED RECORD PRC 1975 GRAIN HARVEST, WITH PRODUCTION WELL ABOVE 1974 LEVELS (REUTER, SUN).

UNCLASSIFIED

PAGE 05 STATE 000211

CSM'S KULKARNI, IN HK, REPORTS PEKING U LAW PROFESSOR SAYING PRC IS LAWYERLESS SOCIETY BECAUSE LAWS SIMPLE, FEW; CRIME RARE, PUNISHMENT PROMPT; AGE OF CRIMINAL RESPONSIBILITY IS 13; NO CAPITAL SENTENCE FOR MENTALLY ILL, WHO ARE SENT TO MENTAL CLINICS.

LITTLE LEAGUE RESCINDS RULE BANNING FOREIGN TEAMS FROM WORLD SERIES; CHANGE REPORTEDLY RESULTED FROM WILLINGNESS FOREIGN TEAMS, SUCH AS TAIWAN, TO AGREE ABIDE BY SAME RULES, REGULATIONS, APPLIED TO US TEAMS (AP, NYDN). TAIWAN LL OFFICIALS CHEER NEWS; TAIWAN LITTLE LEAGUERS HAD WON FIVE OUT OF SIX WORLD SERIES SINCE FIRST TOOK PART IN 1969, BEFORE LL IMPOSED BAN LATE LAST YEAR (REUTER TAIWAN).

7. THAILAND

FM CHATICHAI SAID THAILAND PLANS OPEN BORDER WITH LAOS THURSDAY, AND PL REGIME PROMISED ITS FORCES WOULD REFRAIN FROM SHOOTING AT THAI GUNBOATS IN MEKONG (AP, NYT). SIMONS (WP) CITES TRAVELERS ARRIVING BANGKOK FROM VIENTIANE IN PAST FEW DAYS THAT LAOTIANS SEEM ACCEPT GOVT CONTENTION THAT FAULT FOR ECON HARSHIPS LAY ENTIRELY WITH THAILAND.

KUKRIT SAID RTG WITHDREW PROMISE RE-OPEN BORDER BRIEFLY MONDAY, "UNFORTUNATELY BECAUSE LAOS REFUSED PERMIT EUR DIPLOMATS TO CROSS UNLESS BORDER OPENED PERMANENTLY (UPI, PHINQ 12/30). SIMONS CITES CONFLICTING REPORTS FROM BANGKOK, VIENTIANE, NONG KHAI, SAYS BORDER WAS OPEN BRIEFLY FOR FEW HOURS MONDAY BUT SEALED AGAIN

BEFORE ANY EMBASSIES COULD CARRY OUT THEIR BUSINESS.

KUKRIT, IN NEW YEAR EVE BROADCAST, SAID STRONG ARMED FORCES NEEDED TO MAINTAIN THAI INDEPENDENCE, SOVEREIGNTY. REVIEWED RTG DIPLOMATIC MOVES TO PROMOTE FRIENDSHIP WITH PRC, CAMBODIA AFTER COMMUNIST TAKEOVER OF INDOCHINA. EXPRESSED HOPE TIES WITH LAOS WOULD IMPROVE SOON. SAID THAILAND WOULD HAVE TO STAND ON OWN TWO FEET, AND COULD NOT RELY ON FOREIGN AID (REUTER, BANGKOK).
UNCLASSIFIED

PAGE 06 STATE 000211

DEP PM PRAMARN SAID TODAY GOVT OFFICIALS, OR TROOPS, WOULD BE CALLED ON TO CONDUCT PUBLIC SERVICES IF AFFECTED BY ONE-DAY STRIKE PLANNED FOR FRIDAY. ADDED CURFEW WOULD BE DECLARED IF THERE "ANY CONFUSION" (REUTER, BANGKOK).

8. INDOCHINA

NYT'S FINNEY REPORTS HANOI HAS INFORMED SEN KENNEDY IT IS PREPARED RETURN REMAINS OF TWO MARINES, LAST US SERVICEMEN KILLED IN VN WAR APRIL 28 DURING US SAIGON EVACUATION.

NYT (PARIS) SAYS US OIL COMPANIES REPORTE M INFORMAL CONTACT WITH HANOI CONCERNING POS ARRANGEMENTS FOR RESUMING OIL EXPLORATION IN SOUTH CHINA SEA OFF SVN COAST. SOUNDINGS REPORTEDLY TAKEN AT MEETINGS ARRANGED WITH KNOWLEDGE OF DOS, TREASURY IN SUCH PLACES AS PARIS, HK; UNCONFIRMED REPORTS ALSO SAY OIL FIRM REPS HAVE VISITED VN (REPRINTED IN SUN).

SAIGON PRESS REPORTS CONFIRM THAT RESTRUCTURING OF NVN PROVINCES, ANNOUNCED AT NATIONAL ASSEMBLY OVER WEEKEND, INCORPORATES TWO SVN PROVINCES -- QUANG TRI, THUA THIEN (WP).

REUTER (PEKING) REPORTS SIHANOUK FLEW HOME TO PP DEC 31 AFTER SIX-WEEK AFRICA, ASIA, EUROPE TOUR; PRINCE SEEN OFF BY TENG HSIAO-PING, LI HSIEN-NIEN.

9. BURMA

AP (BANGKOK) SAYS NE WIN, REPORTEDLY ANGERED BY NOISE, CRASHED CROWDED RANGOON CHRISTMAS EVE PARTY, SLAPPED ARMY COLONEL SEVERAL TIMES, POKED HOLES IN BAND'S DRUMS, KICKED OVER AMPLIFIERS, BROKE UP PARTY, ACCORDING TUESDAY BANGKOK POST. SAYS RELIABLE SOURCES CONFIRMED REPORT, AND STORY MAKING RANGOON ROUNDS (CHITRIB). ACCORDING NYT'S LAURIE JOHNSTON, NE WIN STORY IS TALK OF BANGKOK, RANGOON.
UNCLASSIFIED

PAGE 07 STATE 000211

REUTER'S ZAW WIN, IN MANDALAY, REPORTS TOURISM 20TH CENTURY STYLE HAS PRODUCED SOME DISCORDANT NOTES IN TRANQUIL OLD CITY. SAYS INCREASING NUMBER TOURISTS HEADING THERE "ON THE CHEAP," EARNING THEMSELVES BAD REPUTATION EN ROUTE, PAYING TRAIN/BUS FARE WITH PROCEEDS FROM WHISKY/CIGARETTE SALES. SOME "HITCH" RIDES, MOVING UP AND DOWN CARRIAGE CORRIDORS TO AVOID PAYMENT, BECOMING NUISANCE TO OTHER TRAVELLERS. MOST TOURISTS ON SHOESTRING BUDGETS PATRONIZE 40 OR SO HOTELS WHICH HAVE RECENTLY MUSHROOMED ALL OVER MANDALAY. UNTIL RECENTLY, THEY HAVE BEEN WELCOME TO STAY WITHOUT CHARGE AT KELLY CHURCH OPEN HOUSE, BUT CHURCH SOON FOUND HOSPITALITY BEING ABUSED. DRUG PUSHERS, ADDICTS SO PREVALENT IN CITY'S STREETS AT NIGHT THAT BURMESE NEWSPAPERS SOMETIMES DUB IT "THE HEROIN CITY."

COMMENT AND ANALYSIS

10. HONG KONG

GLOBE PRES WILLIAM O TAYLOR (12/28) ON WORLD TOUR FINDS HK EVOCATIVE OF BOGART MOVIE, OR MAUGHAM NOVEL. DESCRIBES LIFE ON JUNKS IN HARBOR, NOTES REAL ESTATE HAS APPRECIATED 10-FOLD SINCE 1967 RIOTS WHEN FEARED PRC WOULD TAKE OVER COLONY. VISITS MACAO, ONE OF LAST OF PORTUGAL'S COLONIAL OUTPOSTS, AND LOOKS IT WITH EVERYTHING HAVING FADED, RUN-DOWN LOOK. RETURNS TO REALITY BY CITING CHINESE FRIEND'S STORY ABOUT MAINLANDERS WHO ESCAPE PRC BY SWIMMING DOWN PEARL RIVER AT NIGHT -- BUT NOT ALL ARE LUCKY ENOUGH TO MAKE IT.

11. KOREA

CDN'S BEECH (WP) IN HK REVIEWS CALCULATED BAD MANNERS, SHEER-CUSSEDNESS, AND STRONG-ARM TACTICS DISPLAYED BY NKOREANS AT PANMUNJON, SRI LANKA, LIMA AND UN. RECOUNTS HOW DPRK EXPELLED AUSSIES AFTER UN VOTE. AGREES ALL KOREANS TOUGH, AND SKOREANS CAN BE HAM-HANDED BUT AT LEAST ARE MORE SOPHISTICATED IN DIPLOMACY. AFTER 30 YEARS OF NEAR TOTAL ISOLATION NK FOLLOWS SIMPLE UNCLASSIFIED

PAGE 08 STATE 000211

FOREIGN POLICY -- ONE IS EITHER "PRECIOUS FRIEND" OR IMPLACABLE ENEMY, AND KIM IL-SUNG HAS TOLD FEW WESTERN NEWSMEN PERMITTED VISITED PYONGYANG THAT HATRED FOR AMERICANS IS PART OF EVERY NKOREAN'S UPBRINGING.

12. INDOCHINA

DEAN RUSK TOLD AHA IN ATLANTA TUESDAY GRASS-ROOTS

DISENCHANTMENT, NOT INTELLECTUAL DISAGREEMENT OR CAMPUS PROTESTS, CONVINCED LBJ ADMIN VN WAR HAD TO BE WON QUICKLY, OR ABANDONED. SAID 1968 TET OFFENSIVE WAS TURNING POINT IN DOMESTIC OPINION. NOTED MEDIA, ESPECIALLY TV, HAD PRIMARY ROLE IN BRINGING WAR HOME TO AMERICANS, AND WONDERED WHAT WOULD HAVE BEEN OUTCOME OF WW II IF GUADALCANAL, ANZIO, BATTLE OF BULGE WERE BROADCAST INTO AMERICAN HOMES EVERY NIGHT.

CSM'S SOUTHERLAND IN VIENTIANE REVIEWS SIGNS LAOS SHEDDING WESTERN LOOK. HEAVY-SET RUSSIAN WOMEN ARE ONLY ONES WEARING MINI-SKIRTS THESE DAYS, LAO YOUNG MEN NO LONGER WEAR HAIR LONG, AND GONE ARE THE WORLD TRAVELERS ATTRACTED BY PERMISSIVE ATMOSPHERE, CHEAP MARIJUANA, OPIUM. USIS-SPONSORED LAO-AMERICAN ASSN STILL TEACHES ENGLISH TO SOME 400 STUDENTS, BUT WAVE OF THE FUTURE MORE LIKELY FOUND IN ATTRACTIVELY-BOUND "HOW TO SPEAK RUSSIAN" BOOKS NOW BEGINNING TO APPEAR IN SHOPS.

13. GENERAL

CSM'S SCHMIDT CALLS ATTENTION TO LITTLE-NOTED UNUSUAL, MONTHLY HEARINGS BY SFRC, LOOKING BEYOND FOPOLICY ISSUES OF DAY TO PROBLEMS OF DECADE. WHEN FINISHED IN MARCH SEN SPARKMEN (ALA) PLANS ASK STAFFER, OR QUALIFIED OUTSIDER, TO SUMMARIZE RESULTS AND RECOMMENDATIONS. APPEARS ISSUES UNDER CONSIDERATION INVOLVE US ROLE IN TRIANGULAR RELATIONS WITH PRC, SOV, INCLUDING CONTROL OF NUKES, CONVENTIONAL ARMS; POST-VN LEADERSHIP ROLE OF US; PACIFIC SECURITY QUESTIONS, SUCH AS HOW LONG MORE-OR-LESS DISARMED JAPAN CAN DEPEND ON US
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PAGE 09 STATE 000211

NUCLEAR UMBRELLA, AND WHETHER US CAN DEFEND SK IN LONG RUN. ROBINSON

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